KAIZEN GLOBAL
Investments

ANNUAL REPORT
30 June 2017

CONTENTS

CHAIRMAN'S LETTER

To my fellow Shareholders,

It seems that almost every day we see another piece of unsettling news. Whether it be terrorism, another gaffe from the Trump camp, or brinkmanship with North Korea, uncertainty has become a constant. Whilst troubling in the short-term, we are confident that that over the long-term the world will grow and certain companies will flourish. There will always be opportunities to invest and prosper.

PERFORMANCE

We are relentlessly focused on increasing the value – per share – of Kaizen Global investments. In the 2017 financial year the net tangible asset (NTA) value of KGI was flat, and we grew the company's equity share capital by 19.4%.

We are focused on investing for the long-term, across the globe in companies where we have a quantifiable edge in both understanding and valuation. We constantly speak with executive management and perform deep due-diligence on potential investments.

We see asset valuations being quite stretched in certain parts of the world, for example in listed companies in the United States that are large and perceived to be 'high quality'.

Legendary investor Howard Marks calls these "super-stocks". He counsels "stocks that lead a bull market inevitably become priced for perfection and in many cases the companies' perfection turns out eventually to be either illusory or ephemeral."

We believe that the best long term investment opportunities are found when not travelling 'with the herd'.

We also continue to believe that Australian investors should increasingly allocate their savings abroad, to diversify and benefit from a wider universe. Too large a portion of equity portfolios are held in ten Australian companies, which increases risk.

Investors should ensure that their global funds are, in fact, global and not US funds in disguise.

ARTICIAL INTELLIGENCE (A.I.)

Artificial Intelligence (A.I.) is about to change the way that companies operate, compete and innovate. We expect large disruption to occur in the physical world as the internet increasingly impacts our lives. The Internet of Things – IoT – is not a common term but it is coming into our homes through Amazon's Alexa, Google's devices and/or even through our televisions, fridges and cars. We believe that the next decade will favour investors with strong practical science based backgrounds, as opposed to business school graduates.

OPERATIONS + INVESTMENT PORTFOLIO

To find out more about our portfolio's make up, please read our Investment Manager's letter starting at page 6. It will give you a better idea of how our Manager is laying a solid foundation to protect your investment against short-term market volatility and downturns, and to ensure that it enjoys the benefits of long-term capital growth.

DIVIDENDS

It is our intention to pay a growing and progressive dividend over time so that shareholders can realise returns both through capital appreciation as well as income. Despite making a profit this year, we did not believe that was cost effective to distribute profits as a dividend. Remember too that our goal is to compound the value per share over the long-term. Whilst dividends are one form of rewarding investors, so too are share buybacks if the valuation is attractive. Reducing the number of shares in circulation, if done at the right prices, and using Buffett's analogy, shrinks the base of the pizza, increasing the amount of cheese per slice. This equates to the amount of assets (cheese) per share (slice). It is sometimes optimal to buy back shares rather than paying dividends and we will allocate capital to optimize for long-term total return per share.

AGM

We will be contacting you shortly about our annual general meeting – which will provide you with the chance to meet with KGI's key management personnel, and ask any questions you may have. I look forward to seeing you there.

Yours sincerely,

SIMON WINFIELD
Chairman
30 August 2017

INVESTMENT MANAGER'S LETTER

Dear Shareholders,

We have made a great deal of progress over the past year and whilst some things have changed, others have not. In reading last year's letter we are reminded that investing is sometimes a very frustrating pursuit. You can find interesting opportunities, do thorough analysis, and build a position into a diversified portfolio, but then you need to wait. The waiting is the hardest bit, especially when there's enormous pressure to deliver returns today. But delivering returns today isn't how markets work, particularly if you're a value investor buying things cheap. Value investing has been shown to deliver the best returns over the long-term, whereas growth investing has periods in the sun.

> *"It never was my thinking that made the big money for me. It always was my sitting. Got that? My sitting tight."*
>
> *EDWIN LEFÈVRE*[1]

We invest with a 5-year rolling horizon, and if the companies we have invested in are doing well, or improving, and we've bought them at an attractive price, this will eventually translate into higher valuations in the future. We believe that the big money will be made taking the longer-term view. Why? That has worked for us in the past, and we believe that it will work for us in the medium term – but there can be no guarantees.

ARTIFICIAL INTELLIGENCE (A.I.) IS UPON US AND IS INCREDIBLY IMPORTANT

The most important theme to emerge over the past year is the rapid rise of machine learning and artificial intelligence. In simple terms, it means that machines will be able to combine functionality with the ability to learn and solve problems. Whilst the field has been around since the 1950s it is only recently that the hardware, software and availability of enormous data mines have co-existed, allowing machines to learn, and to learn rapidly.

We see the development as the Third phase of the internet. The First phase began with the rise of the PC based internet in the 1990's and the creation of the first internet business models. In the 2000s we moved to the Second phase, the mobile internet which was accelerated by the iPhone and Steve Job's vision, the birth of social media and virtual exchanges. We believe that we have now entered the Third phase – that of A.I. These developments have led to an accelerating rate of development and progress and we expect this phase to be both transformational and destructive.

A.I. will impact ALL business models. It is akin, in our mind, to past developments like the electrification of an entire economy. The challenge is that it is not easy to understand and whilst logic is useful in analysis, the steps between change are likely to be exponential rather than linear. We strongly believe that engineers,

[1] Edwin Lefèvre wrote the Wall Street classic Reminiscences of a Stock Operator, the thinly disguised biography of Jesse Lauriston Livermore, a legendary investor.

as we are, will have a competitive advantage to analyse and understand the Third phase. There are plenty of 'technologists' and 'futurists' out there but we believe that the ability to discern between companies will increasingly rely on university degrees founded in practical sciences (engineering, computer science etc) rather than business courses (economics, business studies, accounting etc.). Investors will need both, but the human skill set is overwhelmingly long business studies and short engineering. If you doubt this logic simply analyse what the leading CEOs of major internet companies have studied. You will find an overwhelming number of engineers and computer scientists. It is a myth to think, as it was in the first dotcom boom, that every 25 year old will be a tech investor and entrepreneur. A.I., in particular, is complex – it is not easy to understand and we expect that there will be a shortage of smart, highly technically educated talent.

We have begun to express our bullishness on A.I. in the company through some select investments and we are actively looking for other opportunities.

Let us give one such example of our thinking. The electrification of vehicles and introduction of autonomous (self-driving) capabilities could transform logistics businesses, dramatically lower the cost of delivery and accelerate online delivery. The best time to drive a truck full of freight is at 3am when the roads are empty. From an engineering perspective this is most fuel efficient and utilises the road network optimally. However, truck drivers fall asleep at the wheel at 3am and diesel driven engines are very noisy, waking people, so are not too popular. But imagine a fleet of driverless trucks, electric and silent, driven in convoy to reduce air friction, like the Tour de France riders. This is no longer a dream from science fiction movies, it is a reality that is rapidly coming towards us. The creative use of empty roads and lower fuel usage will, however, be destructive too. If you are a well-paid truck driver the advent of autonomy is terrible. A.I. will create increasing social tensions as it makes areas of the workforce redundant.

We look forward to investing in the opportunities that A.I. presents in the coming years.

Recall that we aim to invest in companies and areas that may be misunderstood, poorly analysed and/or off the radar of the mainstream investor. We seek to have a quantifiable edge where we invest and that can skews the odds in our favour. We seek asymmetry – as little downside and as much upside as possible. We will analyse an investment that we have in a cable company in Argentina below;

GRUPO CLARIN – TOP 10 HOLDING – MARKET CAP $4.2BN US DOLLARS

- Tier 1 asset
- Undervalued
- Optionality galore

GENESIS OF THE INVESTMENT IDEA

We became interested in Argentina in 2015 with the rise and eventual election of the market friendly, reformist Mauricio Macri. We hypothesized that the country could grow again, control inflation and re-enter world capital markets under Macri. However, since we are not global macro investors we investigated whether there were any listed companies that we could invest in that could give us an asymmetrical risk/reward profile. By this we mean that if Macri was unsuccessful in reform, we would have invested in a high quality asset with little downside (from an operational and valuation perspective), but benefit from large upside if his reforms boosted the economy.

As we looked through the listed stocks we came across Grupo Clarin (Clarin), 60% owner of Cablevision, the strongest cable operator in Argentina, but also owner of broadcasting & publishing and digital content assets. This perked our interest since we are bullish on the global cable industry because of the fast internet access it provides. As the web increasingly moves to video speed really matters, and if you can bundle your cable service with your mobile you have a very sticky and predictable business. Clarin was in in the process of building up its mobile offering for this reason.

We liked the assets, which exhibited pricing power in an inflationary environment, and the valuation was very cheap. The stock was under-covered and under-owned, something we always like, despite its size. As we dug deeper we found that it had an interesting investor in David Martinez through his Fintech Advisory business. Martinez has been described as 'the most influential Mexican on Wall street and as we've read into his background we think he is a very smart strategic investor. As it happens, his influence has begun to play out recently.

Return on investment +44% so far…
We first invested in Clarin at ~$18 per share, it closed at end of July at ~$26 up +44%.

Macri wins election with Cambiamos (let's change) party

A MERGER OF GIANTS

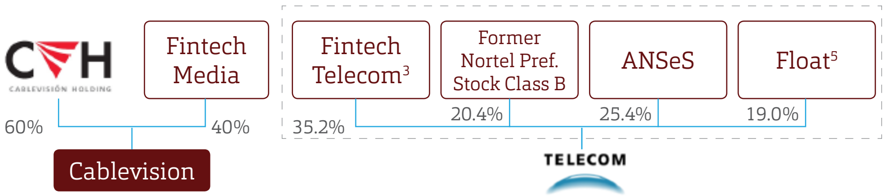
On 30 June, 2017 Clarin announced that it would merge its cable assets (Cablevision) with Telecom Argentina (TEO: ~$6bn USD market cap) subject to regulatory approval. Cablevision will hold 55% of the newco and TEO shareholders 45%. The combined company would be valued at $11-12bn USD.

TRANSACTION SUMMARY

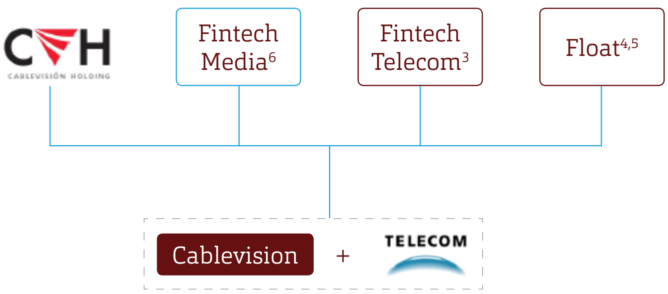
- Cablevision S.A., in an all stock transaction, will be absorbed by Telecom Argentina
- Cablevision S.A. shareholders will receive 1,184.5mm new shares of Telecom Argentina
- All resulting company share classes will have equal economic and voting rights
- Cablevision shareholders will receive 55% of the combined company shares
- Reference equity values of US$6.1bn for CV and US$5.0bn for TEO

SIMPLIFIED OWNERSHIP STRUCTURE

Pre-transaction structure[1]



Post-transaction structure[1,2]



Source: Grupo Telcom Cablevision presentation material

We agree with the business logic. First, there are several key synergies and procurement savings will be substantial. We are interested in the reduction in 'churn' when telecom operators bundle multiple products. This synergy hasn't been called out in public presentation material, but since we follow the global cable industry we see this as significant benefit. TEO's premium mobile network will be combined with Clarin's premium cable network – making a very attractive product to sell to customers.

Despite Cablevision achieving a healthy ~7X EV/EBITDA multiple in the deal (a premium to where it was trading via Clarin's listing and LATAM peers) the stock fell almost 9% the month after the announcement! Even more incredible was that TEO's stock rallied by 4%. Considering that Clarin will be receiving shares in the newco, making up 33% of the shareholding, it should have rallied the same 4% if logic had prevailed. Sometimes we just scratch our heads with amazement, but, in our opinion, believe that in the long-term that Clarin is significantly undervalued.

THIS BEGS THE QUESTION WHY?

TEO is covered by a few local analysts, but Clarin is not. This explains a lot of the price action. This certainly isn't enough to make a stock cheap but it does mean that it can be off the radar of many investors. Whilst Argentina is recovering it still hasn't been included in the MSCI Emerging markets index either, so many investors aren't even looking at Argentina as it isn't in their benchmark. We do not believe that the market appreciates Clarin's assets and what the bundling opportunities are with a strong player in mobile.

The stock isn't very liquid in the GDRs (global depositary receipts that we own) but we always hypothesized that would change as the company was transforming. Often, an illiquid name can suddenly become liquid as it is 'discovered' or there is a liquidity event. A merger with the liquid TEO, increased weighting in Argentinian index will be such a liquidity event. By combining with TEO the newco will a) be quite large ($11-12bn USD mcap) and b) have increased analyst coverage and therefore be discovered.

CHURN AND SAVINGS

We estimate that the procurement synergies are worth about $2bn in PV terms. If we assume Clarin shares 33% of them then the increase in Clarin's value should be circa 20-25%. In the chart below we can see that Cable churn is running at circa 15%. If that is reduced through the mobile/content/broadband bundle the savings could be significant too. This is not in estimates.

EXHIBIT 37: CABLE & INTERNET ACCESS STATISTICS

'000s

	1H17	1H16	% CH,	2Q17	1Q17	2Q16	QoQ	YoY
Homes Passed (*)	7,864,2	7,815.4	0.6%	7,864.2	7,833.7	7,815.4	0.4%	0.6%
Bidirectional Homes Passed	76.6%	73.4%	4.4%	77%	76%	73%	0.8%	4.4%
Total CATV Subscribers	3,510.4	3,522.1	(0.3%)	3,510.4	3,510.4	3,522.1	(0.0%)	(0.3%)
Churn Rate	14.9%	14.0%	6.1%	14.5%	15.3%	12.8%	(5.1%)	13.3%
Digital Ready Pay TV Subs	3,050.1	3,012.8	1.2%	3,050.1	3,021.1	3,012.8	1.0%	1.2%
Total Internet Subscribers	2,254.8	2101.4	7.3%	2,254.8	2,208.4	2,101.4	2.1%	7.3%
Total ARPU	735	522	40.7%	755	715	527	5.5%	43.3%

Source: Grupo Clarin Q2 results

UNDER-GEARED AND CHEAP

One other thing we like is that this is a share combination rather than a buyout, which would have left the newco heavily indebted. On the contrary, the newco has firepower and a flexible balance sheet, with a combined 0.3x net debt/EBITDA ratio. If we add in the synergies and forecast modest growth we arrive at an EV/EBITDA ratio of circa 4.5X for 2018. Latam peers trade on circa 6.3x despite slower growth prospects. We think that the combined entity will provide better bundled service quality to the customer and that will increase sales, reduce churn and lead to higher EBIT growth. Therefore, arguably the newco should trade at a premium due to a) low leverage b) a large/significant market cap and c) faster growth.

We believe that the shares could trade at closer to $40 in coming years, perhaps more if execution is good – that would be another 60% upside from here and more than 120% return from inception. If earnings growth was 12% higher than we expect and the stock traded at the high end of telco multiples in LATAM, the share price could potentially double from here.

Clarin being a top 10 position and why we are bullish on our portfolio holdings. We have other names where we are equally optimistic and think our best days are ahead.

STOCKS FOR THE LONG-TERM

It is worth reminding ourselves that stock markets deliver the best returns of any asset class over the long-term, compounding at almost 10% per annum[2]. Therefore, in the long-term it makes sense to be bullish on stocks. Second, there are over 7 billion people in the world, and there will always be opportunities for companies to grow and for their value to increase.

[2] US large stocks increased by 9.8% per annum on average 1926-2012 Source: SBBI.

Returns are not linear – meaning that the market does not go up at 9.8% every single year. Some years it beats that, some years it doesn't. If you have a 1-2 year horizon, you can miss out on the best opportunities because stocks move up and down every day for all sorts of trivial reasons (short term voting). But in the long-term, if the business is sound and it increases its earnings, it should increase and approach fair value (be properly weighed).

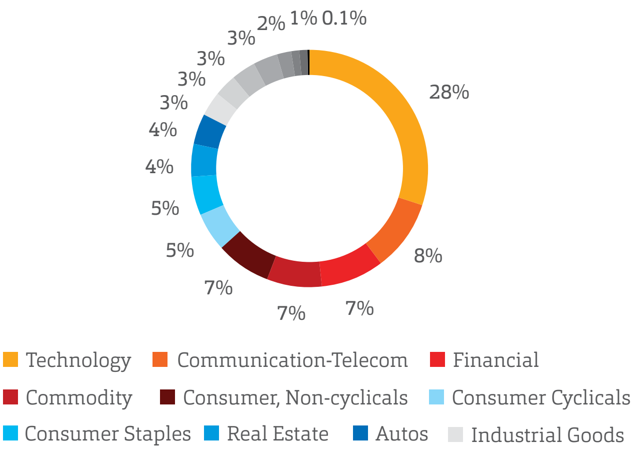
PORTFOLIO POSITIONING

We have invested across;

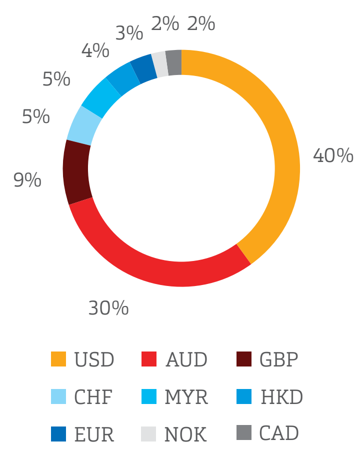
- mutliple countries; and
- multiple sectors.

This can be seen in the charts below. We are fully invested and hold a combination of long positions, shorts and inflation protection. We believe that the biggest risk to markets is unexpected inflation and have insurance in place should that happen. We think about capital preservation as much as capital growth at all times.

SECTOR ANALYSIS



CURRENCY EXPOSURE



We believe that the single greatest opportunity for the coming 5-10 years is to invest (i.e. sit tight) and not jump in and out of stocks (trade). We are in a period of enormous change and that brings opportunity. We are optimistic about the long-term and believe that our best days are ahead.

Yours sincerely,

Connor Grindlay
30 August 2017

DIRECTORS' REPORT

Your directors present their annual financial report on Kaizen Global Investments Limited (the Company or KGI) for the financial year ending 30 June 2017 as required by the Corporations Act 2001 (Cth)(the Act) and the NSX Listing Rules. In addition to the financial statements for the year and the notes accompanying those statements, your Directors provide a declaration about those statements and notes.

GENERAL INFORMATION ABOUT OPERATIONS AND ACTIVITIES

The Company is listed on the NSX. During the year the Company's Investment Manager continued to implement KGI's investments strategy by investing the Company's capital in global listed securities affected by thematic trends, while paying close attention to valuation and margin of safety. KGI made no investments in unlisted private companies during the year.

In March 2017, we completed a share placement that raised $500,000, and culminated in the listing of a further 523,560 fully paid ordinary KGI shares on the NSX. We remain focussed on growing our shareholders' post-tax NTA per share in absolute terms. As at 30 June 2017 the NTA post tax valuation was $0.969 per share.

PRINCIPAL ACTIVITIES

KGI's principal activities during the year were investing in global listed securities, predominantly equities. There were no significant changes in the nature of those activities during the year.

FINANCIAL POSITION

For the year ended 30 June 2017, the Company recorded a post-tax gain of $938 and its net tangible assets (NTA) were $3,064,351 after tax, versus $2,566,255 the previous year. The Company's financial position is set out in its Financial Statements at pages 17 to 33.

SIGNIFICANT CHANGES

There is no matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect: the Company's operations in future financial years; or the results of those operations in future financial years; or the Company's state of affairs in future financial years.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

OMISSIONS

The Company has not omitted from this report any prejudicial material that would otherwise be required to be included by law.

AFTER BALANCE DATE EVENTS

The Directors are not aware of any other events that would have significant impact on the operations of the Company.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company will continue to pursue its investment objectives for the long-term benefit of its shareholders. This will involve the continued review of its investment strategy, and may, from time-to-time, require some changes to that strategy. To achieve our investment objectives, we intend to invest the majority of the Company's capital (at cost) in global listed shares and to diversify risk by investing in other investments, including unlisted private companies.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments.

Accordingly we do not provide a forecast of the likely results of our activities.

ADDITIONAL GENERAL INFORMATION

The Company has reported and released to the NSX an unaudited NTA valuation per share each month of the financial year ending 30 June 2017. Each of those monthly valuations is available at the following website: http://www.nsxa.com.au/summary/KGI.

In accordance with Listing Rule 6.9, the Directors further report that, as set out above, the principal activities of the Company are investing in global securities. The Company has no subsidiary entities and does not form part of a group of companies.

The annual accounts for the period do not differ materially from any published forecast made by the Company, of which there was none. None of the Directors are parties to service contracts between them and the Company.

Insofar as contracts of significance are concerned, those described in the Company's Prospectus dated 21 January 2015 remain in place, namely the Investment Management Agreement and the Deeds of Access, Indemnity and Insurance. These are contracts of significance in which the Company's Directors are or were materially interested either directly or indirectly and which subsisted during or at the end of the financial year.

All of the Company's Directors have agreed to waive any emoluments until 30 June 2017. There are no arrangements under which a shareholder has waived or agreed to waive any dividends. Below is a list of KGI's top 10 shareholders and the number of KGI fully paid ordinary shares that they hold.

SHAREHOLDER	SHAREHOLDING	
Tom Hale Pty Ltd	366,492	11.58%
CLG Investments Pty Ltd	350,000	11.06%
Kaizen Capital Pty Ltd atf Kaizen Recap Fund I	305,000	9.64%
Airthrey Investments Pty Ltd	250,000	7.90%
Mr Patrick Flaherty	200,000	6.32%
MDH Capital Pty Ltd	157,068	4.96%
Mr Edmunds and Ms Nissen atf Edmunds SMSF	152,356	4.96%
Intermondiale Pty Ltd	150,000	4.74%
Mr Simon Winfield	102,356	3.24%
Drs S Liew and T Saurine	100,000	3.16%
Mr C Grindlay	50,001	1.58%
Chartlands Pty Ltd	50,000	1.58%

DIVIDENDS

No dividends or distributions were paid to members during the year; and no dividends or distributions were recommended or declared for payment to members, but not paid, during the year.

OPTIONS

No options have been granted over unissued shares or unissued interests during or since the end of the year. No options have been granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors); and granted to them as part of their remuneration. As at the day the report is made there are no unissued shares or interests under option. No shares or interests have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

INDEMNITIES

During the year the Company provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of KGI, other than conduct involving a wilful breach of duty in relation to the Company. The content of the insurance policy prohibits disclosure of the nature of the loss or liability indemnified, the indemnity limit or the amount of premium paid. The Company did not provide an indemnity to the auditors.

DIRECTORS, COMPANY SECRETARY AND AUDITOR

The following persons have been a director of the Company at all times during, or since, the end of the year:

- Connor Grindlay – appointed 26 September 2014
- Simon Winfield – appointed 26 September 2014 and re-elected at AGM on 25 November 2015
- Andre Edmunds – appointed 4 November 2014 and re-elected at AGM on 7 November 2016.

KGI's company secretary at any time during the year was Lisa Grindlay.

For the relevant period, Martin Michalik was a director of Stantons International Audit and Consulting Pty Ltd (Stantons), that is the auditor of KGI, and was such a director at a time when Stantons undertook an audit of KGI.

Directors

CONNOR GRINDLAY

Managing Director and Chief Investment Officer

QUALIFICATIONS

Masters of Civil Engineering with European Studies, Credit Suisse training program, CFA UK Certificate in Investment Management, and Investment Management and Research (IIMR) Associate examinations.

EXPERIENCE

Connor Grindlay has been the Managing Director and Chief Investment Officer of KGI since 26 September 2014. He is also the Managing Director and founder of Kaizen Capital Pty Ltd (the Manager or Investment Manager for KGI). Prior to listing KGI, Connor worked with two Australian-based fund managers – 8 Investment Partners and Caledonia Investment (2010 – 2014); Millennium Capital Partners, a New York billion dollar fund (2008); Castlegrove Capital, a London-based global multi-strategy fund (2006 - 2008); and Trafelet, a multi-billion dollar US-based hedge fund (2004 - 2006). Connor also worked as an analyst at WestLB Panmure in London (2002) and cofounded hedgefundcity.com, an online media portal for the global hedge fund industry (2000).

SPECIAL RESPONSIBILITIES

As Managing Director of KGI his special responsibilities include making a declaration relating to statutory accounts under s 295A of the Corporations Act 2001. He is a member of the KGI Audit Committee and holds no other directorship in any other listed entities.

Connor Grindlay holds 425,001 shares.

SIMON WINFIELD

Chairman

QUALIFICATIONS

MBA, and Graduate Certificate in Carbon Management.

EXPERIENCE

Simon Winfield is KGI's Chairman and has been a director since 26 September 2014. He has also been a director of the Manager since October 2009. Prior to joining Kaizen Simon was a director of a NSW-based agricultural technology company; Managing Director / Head of European Equity Sales at Bank of America (2001 – 2003); and in equities research sales at Credit Suisse (1990 – 2001). Simon worked in UK equities for Grieveson Grant, Grant W Greenwell and UBS until 1990. He started his career in finance in 1979 at the London Stock Exchange.

SPECIAL RESPONSIBILITIES

As Chairman of KGI, Simon's special responsibilities include reporting to members and conducting shareholder meetings, acting as Trading Officer and as a member of the Audit Committee. He holds no other directorships in other listed entities.

Simon Winfield holds 157,356 shares.

ANDRE EDMUNDS

Non-Executive Director

QUALIFICATIONS	Bachelor of Aeronautical Engineering (Honours), Member of the British Computer Society, and Chartered IT Professional in Program and Project Management.
EXPERIENCE	Andre Edmunds is KGI's sole Non-Executive Director, and has been a director since 4 November 2014. He has been a director of a consultancy and executive advisory service company since March 2007; was a Member of the Australian Institute of Project Management (2006-2011); and performed the role of BCS Assessor for Membership Status (2009 and 2010). Andre has experience in software development and pre-sales, project management, transformation, turnaround/rescue and mobilization programs. He has consulted to executive boards of small, medium and large companies, and government organisations. He has worked with AMP General Insurance, CSC Australia, Deloitte UK, Barclays, Toyota, Volkswagen, Cazenove Capital Management, Orange Sweden, Hutchison 3G, VirginMedia, Optus, Telstra, Downer, Foxtel, News Ltd, and Transport for NSW.
SPECIAL RESPONSIBILITIES	As a KGI director, Andre's special responsibilities include membership of the Board of Directors and Audit Committee. He holds no other directorships in any other listed entities. Andre Edmunds holds 162,356 shares

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the following board meetings were held:

	ELIGIBLE TO ATTEND	ATTENDED
Connor Grindlay	8	8
Simon Winfield	8	8
Andre Edmunds	8	8

MEETINGS OF THE AUDIT AND RISK COMMITTEE

The committee met once during the period with all three directors eligible to attend, and all three attended.

COMPANY SECRETARY

Lisa Grindlay BA, LLB (Hons) is the Company Secretary and was at all times during the period. Lisa has over 15 years of legal experience, gained as both a solicitor and barrister. She has been company secretary for KGI since September 2014, and for Kaizen Capital since October 2009.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is committed to maintaining high standards of safety, performance and corporate governance for the Company and any entities it may control. To foster good corporate governance the Company has developed a set of core values and behaviours that underpins its activities and ensures transparency, fair dealing and protection of the interests of all stakeholders – including shareholders, personnel, suppliers and communities – with which it operates.

Below is a summary of the Company's full Corporate Governance Statement, which is available on the Company website.

BOARD OF DIRECTORS

In general the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board takes advice from the Audit Committee on matters within its Charter, however the Board retains final decision-making authority on those matters.

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the and procedures outlined in the Company's Constitution and the Corporations Act.

The Company's constitution requires one third of the Directors to retire at each Annual General Meeting. The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. This rule does not apply to the Managing Director.

The Chairman leads the Board and has responsibility for ensuring that the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The Company currently has two Executive Directors - the Managing Director and Chairman. The Board believes that the benefits to shareholders of a separate, independent Non-Executive Chairman, CEO and CFO does not outweigh the disadvantage of the real or perceived divergence of command and the additional remuneration and administrative expenses involved. However, the Board will periodically review whether it would be more appropriate to appoint an independent Non-Executive Chairman, CEO and CFO.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The Board currently has one Non-Executive Director. The Board as a whole is satisfied that the Non-Executive Director brings an independent discretion to his deliberations, unaffected by the executive status of the Chairman.

MEETINGS OF THE BOARD

The Board holds regular meetings, and holds additional meetings whenever necessary to deal with specific matters requiring attention. Directors' circulatory resolutions are also utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

CONFLICTS OF INTEREST

To ensure that Directors are at all times acting in the interests of the Company, Directors must disclose to the Board actual or potential conflicts between the interests of the Director and those of the Company; and if requested by the Board, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest, then the Director must absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (unless the law allows otherwise)

RELATED-PARTY TRANSACTIONS

Related-party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the NSX Listing Rules. Unless there is an exemption from the requirement to obtain shareholders' approval for the related-party transaction, the Board may not approve the transaction. The Company will also disclose related-party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

SHARE DEALINGS AND DISCLOSURES

The Company has adopted a Share Trading Policy, which applies to Directors and employees of the Company and contractors who have agreed to be bound by the policy. The policy is designed to explain the type of conduct in relation to dealings in the Company's securities that is prohibited under the relevant law and by the Company, including insider trading; and establish a procedure for buying, selling or otherwise dealing in the Company's securities.

INDEPENDENT PROFESSIONAL ADVICE

Subject to prior approval by the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

AUDIT COMMITTEE

The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. It has an audit oversight function, with key responsibilities being to review and approve the audited annual and auditor reviewed half-yearly financial reports, to review reports from management and matters related to the external auditor and a risk management function. The Audit Committee currently comprises all members of the Board.

CEO AND CFO DECLARATIONS

The Company has a Managing Director and the Board has determined that (pursuant to section 295A(3) Corporations Act) the Managing Director is the appropriate person to make the CEO/ CFO equivalent declaration in relation to the Company's financials.

EXTERNAL AUDITOR

The Company's external auditor is selected for its professional competence, reputation and the provision of value for professional fees. The external Auditor attends the Company's AGMs (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

CONTINUOUS DISCLOSURE TO NSX

In accordance with the law, the Company continuously notifies the NSX of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

MARKET AND SHAREHOLDER COMMUNICATIONS

Shareholders own the Company. Increasing shareholder value is the Company's key mission. Shareholders require an understanding of the Company's operations and performance to enable them to be aware of how that mission is being fulfilled. The Directors are the shareholders' representatives. In order to properly perform their role, the Directors must be able to ascertain the shareholders' views on matters affecting the Company.

The Board therefore considers it paramount to ensure that shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views on the Company to the Board. Information is communicated to shareholders and the market through various means including the Company's website and social media presence, emails and notifications, and the NSX website.

RISK COMMITTEE

As a consequence of the size and composition of the Company's Board, the Board does not have a stand-alone Risk Committee. However, the Company's Audit Committee has an important risk management and compliance function, with key responsibilities being to ensure that an appropriate risk management framework is in place and is operating properly and reviewing and monitoring legal and policy compliance systems and issues.

INTERNAL AUDIT

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, the expense of an independent internal auditor is not considered to be appropriate.

REMUNERATION COMMITTEE

Due to the nature and size of the Company, the Board does not currently have a Remuneration Committee with a remuneration and nomination function.

EQUITY-BASED REMUNERATION SCHEME

The Company does not have an Employee Share Option Plan (ESOP) and has not issued equity-based remuneration (including shares and options) to Directors or Senior Management.

REMUNERATION REPORT (AUDITED)

The board's policy for determining, or in relation to, the nature and amount of remuneration of the key management personnel for the Company was set out in the Company's Prospectus dated 21 January 2015 (Section 6.10), and remained unchanged during the year. Such policy states that the KGI directors will be entitled to receive a maximum total remuneration (including superannuation) of up to $75,000 per annum to be divided amongst them in such proportion as they agree. However, the directors agreed to waive any fee that they would otherwise be entitled to until the earlier of 30 June 2017.

The board's remuneration policy is designed to keep the Company's operating costs down, and there is no relationship between the policy, and each member of the key management personnel for the Company and the Company's performance.

None of KGI's key management personnel receive remuneration, which consists of KGI securities in satisfaction of performance of their duties. Nor is their remuneration related to performance.

The Company's last annual general meeting (AGM) was held on 7 November 2016 and there was no discussion or any questions asked about the remuneration report considered at that AGM. The resolution in relation to the remuneration report for the financial year ending 2016 was passed on a show of hands with the requisite number of votes.

DETAILS OF REMUNERATION FOR PERIOD ENDED 30 JUNE 2017

The Company has three directors and one company secretary. Details of the remuneration for each officer of the Company was as follows:

2017	SALARY & FEES	SUPERANNUATION CONTRIBUTIONS	OTHER	TOTAL
Connor Grindlay	Nil	Nil	Nil	Nil
Simon Winfield	Nil	Nil	Nil	Nil
Andre Edmunds	Nil	Nil	Nil	Nil
Lisa Grindlay	Nil	Nil	Nil	Nil
Total	$ Nil	$ Nil	$ Nil	$ Nil

SECURITIES HOLDINGS – ORDINARY SHARES

Number of shares personally held by directors and company secretary:

	BALANCE 30/06/16	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	OTHER CHANGE*	BALANCE 30/06/17
Connor Grindlay	50,001	Nil	Nil	None	50,001
Simon Winfield	102,356	Nil	Nil	None	102,356
Andre Edmunds	5,000	Nil	Nil	None	5,000
Lisa Grindlay	25,000	Nil	Nil	None	25,000
Total	182,357				182,357

Number of shares in which directors have a joint or beneficial interest

	BALANCE 30/06/16	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	OTHER CHANGE*	BALANCE 30/06/17
Connor Grindlay	375,000	Nil	Nil	None	375,000
Simon Winfield	55,000	Nil	Nil	None	55,000
Andre Edmunds	157,356	Nil	Nil	None	157,356
Total	587,356				587,356

SECURITIES HOLDINGS - OPTIONS

The combined number of options held personally, jointly and/or beneficially by the directors and company secretary. There were no options held by the directors and company secretary in the financial year to 30 June 2017.

	BALANCE 30/06/15	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	OTHER CHANGE*	BALANCE 30/06/16
Connor Grindlay	425,000	Nil	Nil	(425,000)	Nil
Simon Winfield	105,000	Nil	Nil	(105,000)	Nil
Andre Edmunds	110,000	Nil	Nil	(110,000)	Nil
Lisa Grindlay	25,000	Nil	Nil	(25,000)	Nil

* Unless otherwise specified "other change" refers to shares/options lapsed during the period.

No options were granted to the Directors as part of their remuneration. No shares or interests have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests. No shares or interests in shares were issued as a result of exercise of options.

AUDITOR

The auditor's independence declaration for the year ended 30 June 2017 has been received and may be found on page 41 of this report.

NON AUDIT SERVICES AND AUDITOR INDEPENDENCE

No amounts were paid or payable to the auditor for non audit services provided, during the year, by the auditor (or by another person or firm on the auditor's behalf).

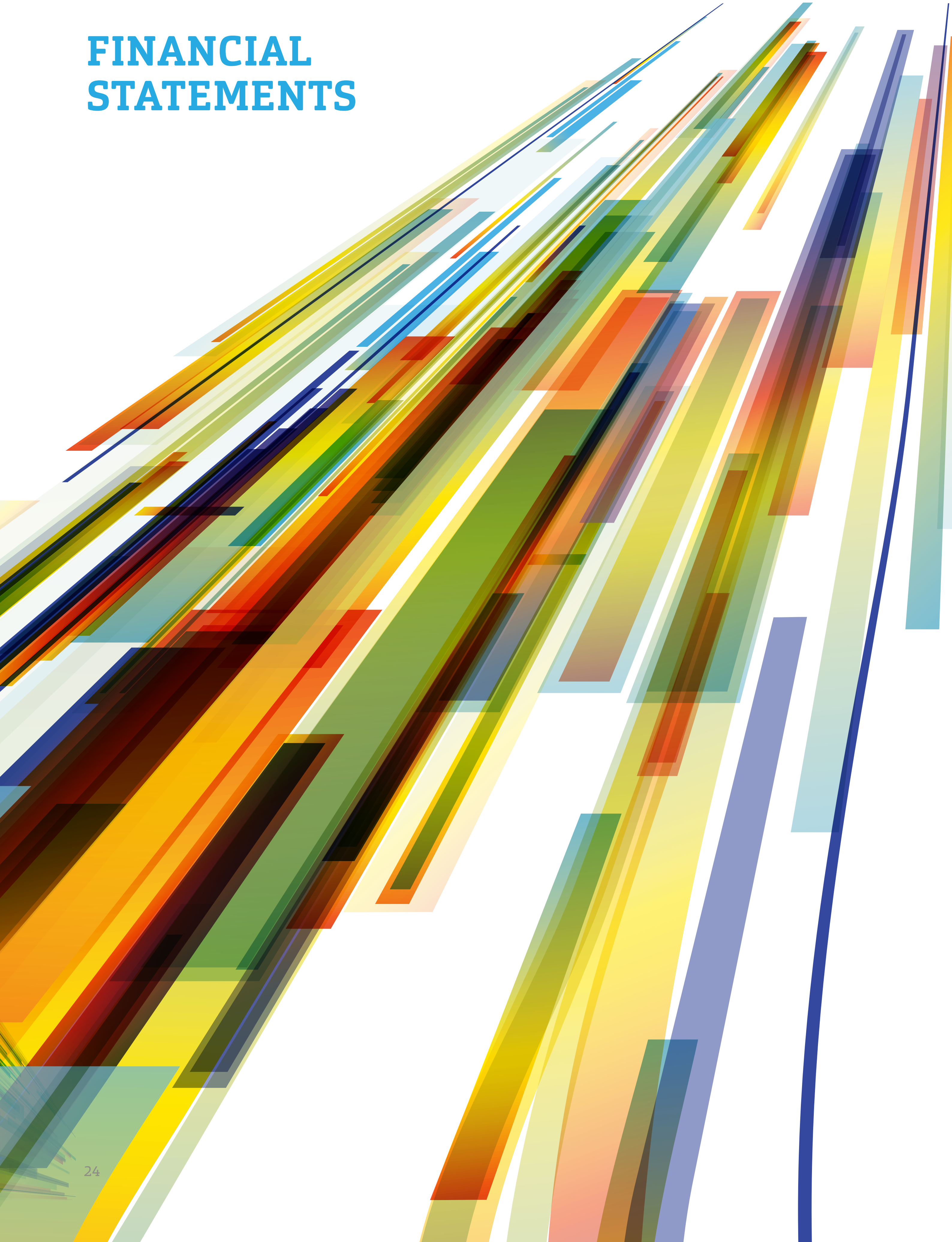
DIRECTORS' DECLARATION

The above Directors' Report dated 30 August 2017 has been made in accordance with a resolution of the board of directors made on 30 August 2017 and is signed by:

CONNOR GRINDLAY
Managing Director
29 August 2016

SIMON WINFIELD
Chairman
29 August 2016

FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		$	$
Income/(loss) from deposits	4	(17,951)	(9,360)
Income from dividends	4	28,642	28,970
Net changes to net fair value of investments	5	82,279	70,873
Total income from ordinary activities		92,970	90,483
Administration expenses	6	(90,744)	(82,915)
Operating profit before income tax		2,226	7,568
Income tax charge relating to ordinary activities	7	(1,287)	(3,295)
Profit attributable to members of the company		938	4,273
Other comprehensive income for the financial year			
- Items that may be reclassified to profit and loss		-	-
- Items that will not be reclassified to profit and loss			
Total comprehensive income/(loss) for the financial year		938	4,273
Overall operations			
Basic earnings per share (cents per share)	13	0.034	0.184
Diluted earnings per share (cents per share)	13	0.034	0.184

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

ASSETS	NOTE	2017	2016
		$	$
Cash and cash equivalents	8	451,782	868,423
Trade and other receivables	9	14,213	15,667
Financial assets held at fair value through profit and loss	10	3,103,169	2,179,113
Deferred tax assets	11	37,483	54,547
TOTAL ASSETS		3,606,647	3,117,750
LIABILITIES			
Trade and other payables	12	31,814	37,718
Financial liabilities held at fair value through profit and loss	10	491,410	478,960
Deferred tax liabilities	11	19,072	34,847
TOTAL LIABILITIES		542,296	551,525
NET ASSETS		3,064,351	2,566,225
EQUITY			
Issued capital	14	3,087,052	2,589,864
Accumulated losses		(22,701)	(23,639)
TOTAL EQUITY		3,064,351	2,566,225

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2017

	ISSUED CAPITAL	ACCUMULATED LOSSES	TOTAL
2017	$	$	$
Balance at 1.07.2016	2,589,864	(23,639)	2,566,225
Issued (net of costs)	497,188	-	497,188
Total comprehensive profit for the year	-	938	938
Balance at 30.06.2017	**3,087,052**	**(22,701)**	**3,064,351**
2016			
Balance at 1.07.2015	2,204,374	(27,912)	2,176,462
Issued (net of costs)	385,490		385,490
Total comprehensive profit for the year	-	4,273	4,273
Balance at 30.06.2016	**2,589,864**	**(23,639)**	**2,566,225**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest (paid)/received		(16,077)	(8,981)
Dividends Received		32,267	25,544
Payments to suppliers		(80,650)	(96,714)
Net cash (used in) operating activities	17	(64,460)	(80,151)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases to acquire financial assets		(3,230,558)	(2,213,012)
Sales of Financial Assets		2,395,822	2,519,655
Net cash (used in)/provided by investing activities		(834,736)	306,643
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares		500,000	385,490
Capital raising costs		(2,812)	-
Loan From Related Parties		-	(48)
Net cash provided by financing activities		497,188	385,442
Net (decrease)/increase in cash held		**(402,008)**	**611,934**
Cash at beginning of year		868,422	205,735
Effect of Exchange Rate Changes		(14,632)	50,754
Cash at end of year	8	451,782	868,423

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR PERIOD ENDING 30 JUNE 2017

1. INCORPORATION AND ACTIVITIES

Kaizen Global Investments Limited (the Company) is an NSX Listed Investment Company (LIC) incorporated under the Corporations Act 2001(the Corporations Law) on 26 September 2014. The principal activity of the Company is to generate long-term capital appreciation while preserving capital. The Company invests substantially in global listed equities. Kaizen Capital Pty Limited is the investment manager of the Company (the Investment Manager). The financial statements presented are for the year ended 30 June 2017. The comparatives stated are for the year to 30 June 2016.

2. BASIS OF PREPARATION

The Financial Statements are general purpose financial statements which have been prepared in accordance with the Corporations Law and Accounting Standards and Interpretations, and other laws that apply to Accounting Standards including Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS). All Amounts are presented in Australian dollars unless otherwise noted.

The Financial Statements of the Company for the year ended 30 June 2017 were approved by the Directors on 30 August 2017.

3. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NEW AND AMENDED STANDARDS AND INTERPRETATIONS EFFECTIVE AS OF 1 JULY 2016

The Company has not applied any Australian Accounting Standard or AASB132 interpretations that have been issued at Balance Date but not yet operative for the year ended 30 June 2017. The impact of such standards is immaterial. The Company will adopt new standards and interpretations when they become mandatory.

The Financial Statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in historical cost conventions

(a) Financial instruments

Financial instruments are classified as financial assets and financial liabilities at FVTPL in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". The category of financial assets and financial liabilities at fair value through profit or loss is sub-divided into:

- Financial instruments held-for-trading: Financial assets held-for-trading include equity securities and derivatives. These assets are acquired principally for the purpose of generating a profit from active trading and short-term fluctuation in price. All derivative instruments are classified as held-for-trading. Derivative financial instruments entered into by the Company do not meet the hedge accounting criteria as defined by IAS 39. Consequently, hedge accounting is not applied by the Company.

- Financial instruments designated as at FVTPL upon initial recognition: These include equity securities and debt instruments that are not held-for-trading. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company. The financial information about these financial instruments is provided internally on that basis to the Investment Manager and to the Board of Directors.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Loans and receivables in the financial statements comprise of balances with banks.

RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are initially recognised at cost, being the fair value of the consideration given. All transaction costs for such instruments are recognised in the statement of profit and loss and other comprehensive income. After initial recognition, these investments are remeasured at fair value with both realised and unrealised gains and losses recorded in the statement of profit and loss and other comprehensive income in "income from financial assets and financial liabilities at FVTPL".

Loans and receivables that are not quoted in an active market are stated at original invoice amount less an allowance for any impaired amounts. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or liability.

TRADE DATE

All "regular way" purchases and sales of financial assets are recognised on the trade date, i.e. the date the Company commits to purchase or sell the asset.

Realised gains and losses on investments are calculated by reference to the net proceeds received on disposal and the average cost attributable to those investments. Unrealised gains and losses are calculated by reference to the fair value and average cost attributable to those investments.

DERECOGNITION

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

i. the rights to receive cash flows from the asset have expired;

ii. the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay the cash flows received in full without material delay to a third party under a 'pass through' arrangement;

iii. the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the

Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities at FVTPL is determined by reference to quoted market bid prices for financial assets and ask prices for financial liabilities at the close of business on the statement of financial position date.

IMPAIRMENT

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the toss is recognised in profit or loss as a credit loss expense.

(b) Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of balances with banks, which have original maturities of less than ninety days. Cash and cash equivalents are short-term highly liquid assets that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Accrued expenses

Liabilities are recognised for amounts to be paid in the future for services received, whether billed or not. Accrued expenses are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

(d) Functional and presentation currency

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into $AUD at the rate of exchange prevailing at the statement of financial position date. Any gains or losses on translation of monetary assets and liabilities are taken to Recognition and Measurement Translation gains or losses on investments at FVTPL are included in the statement of comprehensive income under net charges on financial assets and financial liabilities at FVTPL.

(e) Interest income and expense

Interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

(f) Dividend income

Dividend is recognised when the right to receive the dividend is established.

(g) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are offset in the statement of profit and loss and other comprehensive income when it reflects the substance of the transaction or other event.

(h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Unless included in the effective interest calculation, fees and commission expenses are recognised on an accrual basis. Legal and audit fees are included within 'general and administrative expenses'.

(i) Net assets attributable to holders of Participating Shares

IAS 32 "Financial Instruments: Presentation" requires entities that issue financial instruments to classify such instruments as liabilities or equity in accordance with the substance of the contractual arrangement and the definitions contained within IAS 32 of a financial liability and equity instrument.

The issued by the Company provide the participating shareholders with the right to redeem their shares for cash equal to their proportionate share of the net asset value of the Company. Also, the private placement memorandum ("PPM") allows the Company to issue multiple classes of shares with varying terms on fees and redemption. As such, within the context of IAS 32, the Participating Shares issued by the Company are classified as financial liabilities.

The liability to participating shareholders is presented in the statement of financial position as net assets attributable to holders of Participating Shares" and is determined based on the residual assets of the Company after deducting the Company's other liabilities.

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the Company has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in AASB 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(k) Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

JUDGMENTS

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

GOING CONCERN

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

FUNCTIONAL CURRENCY

The primary objective of the Company is to generate returns in Australian Dollars ("AUD"), The operation of the Company is managed on a day-to-day basis in AUD. The Company's performance is evaluated in AUD. Therefore, the management considers the AUD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

ESTIMATES AND ASSUMPTIONS

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below. The Company based its estimates and assumptions on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

FAIR VALUE OF FINANCIAL INSTRUMENTS

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

The Company's investment in contract for difference requires inputs to the models in order to estimate the fair value of these financial instruments. The valuations of these instruments are provided by the broker considering liquidity and other inputs such as credit risk, correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position. The Directors and management believe that the estimates utilised in arriving at the fair value of these financial instruments are reasonable and prudent; however, actual results could differ from these estimates.

NOTE 4: OPERATING PROFIT BEFORE INCOME TAX EXPENSE

	2017 $	2016 $
Income from deposits		
Interest paid	(17,951)	(9,360)
Total income from deposits	(17,951)	(9,360)
Income from Dividends		
Dividends income	28,642	28,970
Total Income from Dividends	28,642	28,970
Total revenue	10,691	19,610

NOTE 5: NET CHANGES TO NET FAIR VALUE OF INVESTMENTS

	2017 $	2016 $
Realised gain/(loss)	134,864	(60,670)
Unrealised gain/(loss)	(52,585)	131,543
	82,279	70,873

NOTE 6: ADMINISTRATION EXPENSES

	2017 $	2016 $
Accountancy fees	12,300	7,696
Auditor's remuneration	14,350	13,761
Nomad	(1,458)	10,250
Management fee	41,683	35,142
Share registry fees	10,190	10,253
Tax preparation expense	2,912	
Insurance	9,124	1,521
Compliance	1,176	1,627
Other expenses	467	2,665
Total administration expenses	90,744	82,915

	2017	2016
	$	$

NOTE 7: INCOME TAX EXPENSE

	2017 $	2016 $
Increase in current tax liabilities – other	-	-
Increase in deferred tax liabilities	-	-
(Increase) in deferred tax assets - other	15,776	(28,034)
Tax on equity	(17,064)	24,739
Total tax expense	(1,288)	(3,295)

NOTE 8: CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank	451,782	868,423
	451,782	868,423

All cash investments are invested with Authorised Deposit Taking Institutions. Only part of the deposits are guaranteed by the Commonwealth of Australia. The credit risk exposure of the company in relation to cash and cash equivalents is the carrying amount and any unpaid accrued interest.

NOTE 9: TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Dividends receivable	4,259	7,883
Prepaid expenses	7,534	5,915
Interest receivable - bonds Due from Broker	238	-
Goods and services tax refund	2,182	1,869
	14,213	15,667

Receivables are non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount. At the reporting date none of the trade and other receivables are past due.

NOTE 10: FINANCIAL ASSETS

	2017	2016
	$	$
Financial assets held at fair value through the statement of profit or loss	3,103,169	2,179,113

Financial Assets are Exchange-traded securities (equities and options). The credit risk exposure of the company in relation to Financial Assets is the carrying amount.

	2017	2016
Financial liabilities held at fair value through the statement of profit or loss		
Measured at fair value through profit or loss	491,410	478,960

NOTE 11: DEFERRED TAX ASSET AND LIABILITIES

	2017	2016
	$	$
The deferred tax asset is made up of the following estimated tax benefits		
- Tax losses	29,185	44,578
- Temporary differences	8,298	9,969
	37,483	**54,547**
Deferred tax liabilities attributable to:		
- Temporary differences	-	-
- Deferred capital gains tax	19,072	34,847
	19,072	**34,847**

NOTE 12: TRADE AND OTHER PAYABLES

	2017	2016
	$	$
Interest	2,023	967
Accrued Dividends – Short	2,147	2,145
Management fee payable	11,990	3,452
Administration fees payable	1,853	753
Tax Preparation fees payable	2,400	
Audit fee payable	10,500	5,000
Listing Fees Payable	-	-
Due to Broker	-	24,500
Other payables	**901**	**901**
	31,814	**37,718**

NOTE 13: EARNINGS PER SHARE

	2017 $	2016 $
Weighted average number of ordinary shares used in the calculation of basic earnings per share	2,743,631	2,316,408
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares used in calculation of dilutive earnings per share	2,743,631	2,316,408

	2017 $	2016 $
- Profit attributable to members of the company	938	4,273

		Cents	**Cents**
a.	Basic earnings per share	0.034	0.184
b.	Diluted earnings per share	0.034	0.184

NOTE 14: ISSUED CAPITAL

Shares

Movements in issued capital of the company during the financial year were as follows:

DATE	DETAILS	ORDINARY SHARES NO.	PRICE $	ISSUED CAPITAL $
2017				
01.07.15	Balance	2,640,655	-	2,589,864
19.04.17	Issue	523,560	0.955	500,000
19.04.17	Issue costs			(2,812)
30.06.17	**Balance**	**3,164,215**	**-**	**3,087,052**
2016				
01.07.15	Balance	2,237,001	-	2,204,374
19.04.16	Issue	403,654	1	385,490
30.06.16	**Balance**	**2,640,655**		**2,589,864**

All ordinary shares rank equally for all purposes of participation in profits or capital of the company. No Options have been exercised in the financial year. Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and does not calculate a par value for issued shares.

Options

No options were issued in the year.

NOTE 15: AUDITOR'S REMUNERATION

	2017	2016
	$	$
Remuneration of the auditor of the company for:		
- auditing and reviewing the financial reports	14,350	14,000

NOTE 16: SEGMENT REPORTING

(A) DESCRIPTION OF SEGMENTS

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

(B) SEGMENT INFORMATION PROVIDED TO THE BOARD

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards.

The Board considers the Company's net asset backing per share after tax to be a key measure of the Company's performance.

	CENTS	CENTS
Net asset backing per share	96.85	97.18

NOTE: 17 CASH FLOW INFORMATION

	2017 $	2016 $
a. Reconciliation of cash flow from operations with loss after income tax		
Profit after income tax	938	4,273
Changes to net fair value of investments	(82,279)	(70,873)
(Increase)/decrease in trade and other receivables	(4,145)	(13,829)
Increase/(decrease) in trade payables and accruals	19,738	(3,017)
(Increase)/decrease in taxes	1,288	3,295
Cash flow from operations	**(64,460)**	**(80,151)**

NOTE 18: RELATED PARTY TRANSACTIONS

Transactions with related parties.

Related Party	Ordinary Shares
Kaizen Capital Pty Ltd atf Kaizen Capital Recapitalization Fund I	305,000
Director: Connor Grindlay	50,001
CLG Investments Pty Ltd	350,000
Lisa Grindlay	25,000
Director: Simon Winfield	102,356
Jennifer Winfield	50,000
Georgia Winfield	5,000
Director: Andre Edmunds	5,000
Edmunds SMSF	152,356
Jenny Nissen	5,000

Kaizen Global Investments paid $41,683 in management fees to Kaizen Capital Pty Ltd.

NOTE 19: CAPITAL AND RISK MANAGMENT

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors is responsible for overall management of these risks. The Investment Manager's objective is to assess, continuously measure and manage the risks of the portfolio, according to the investment objective; the investment policy and the overall risk profile of the Company.

The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Company are discussed below.

(A) MARKET RISK

Market risk arises from fluctuations in equity prices, interest rates and foreign exchange rate.

(I) PRICE RISK

All investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Company's overall market positions are monitored on a regular basis by the Company's Investment Manager.

The Company's financial assets and financial liabilities at FVTPL are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Price risk sensitivity

The Manager's best estimate of the impact on operating profit and shareholders equity due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the following table. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

FINANCIAL ASSETS AT FVTPL	% CHANGE IN MARKET PRICE	IMPACT ON OPERATING PROFITS/SHAREHOLDERS EQUITY AUD	IMPACT IN % ON OPERATING PROFITS/ SHAREHOLDERS EQUITY
Market indices			
FTSE 100 Index	5%	12,222.50	0.45%
S&P 500	5%	63,917.60	2.34%
Hang Seng Index	5%	6,356.82	0.23%
S&P/ASX 200	5%	17,008.86	0.62%
Swiss market	5%	8,340.50	0.31%
Norwegian market	5%	2,261.66	0.08%
Canada	5%	1,276.19	0.05%
Sweden	5%	(1,621.82)	(0.06%)
Euro	5%	(4,545.68)	(0.17%)
Malaysia	5%	12,196.64	0.45%
Total change if all indices moved	**5%**	**117,413.26**	**4.30%**

(II) INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of the financial instruments. The Company is exposed to interest rate risk only on its balances with banks.

The sensitivity of the Company's profit or loss for the year and the net assets attributable to holders of Participating Shares to a reasonably possible change in interest rates by 25 basis points, with all other variables held constant would have resulted in increase in interest income of AUD 1,129.

A decrease by 25 basis points would result in an equal but opposite effect on interest income to the figure shown above, on the basis that all other variables remain constant.

(III) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument denominated in foreign currencies may be affected favourably or unfavourably by fluctuations in currency rates.

The table below indicates the currencies to which the Company had significant exposure at 30 June 2017. The analysis discloses the Investment Manager's best estimate of the effect of a reasonably possible movement of 5% weakening of the Australian dollar against the listed currencies held, with all other variables held constant on the operating profits/Shareholders equity.

NET CURRENCY HOLDING	% CHANGE IN AUSTRALIAN DOLLAR	IMPACT ON OPERATING PROFITS/AUD
CAD	5%	826
CHF	5%	8,501
EUR	5%	2,408
GBP	5%	9,806
HKD	5%	(122)
MYR	5%	7,873
NOK	5%	(744)
SEK	5%	(448)
USD	5%	56,537

A strengthening of the Australian dollar by 5% would be expected to have the opposite effect to the table.

(B) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company invests its assets in investments that are traded in an active market and can be readily disposed of. The Company's quoted securities are considered readily realisable. The Investment Manager monitors the Company's liquidity position on a daily basis. Credit and liquidity risks are measured prior to making an investment and during the holding period, and is reviewed whenever risk parameters might change or be impacted by internal or external events.

(i) Maturities of non-derivative financial liabilities

	LESS THAN 1 MONTH	1-6 MONTHS	6-12 MONTHS	OVER 12 MONTHS	TOTAL
30-Jun-17	**$**	**$**	**$**	**$**	**$**
Payables	31,814	0	-	-	31,814
Contractual cash flows (excluding derivatives)	31,814	0	-	-	31,814

(ii) Fair value Tier 1-3 asset profile

$	TIER 1	TIER 2	TIER 3	TOTAL
Assets	**3,103,169**	**-**	**-**	**3,103,169**

(C) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss. The main concentration of credit risk, to which the Company is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired or past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial position.

The Company has a policy to maintain balances with reputed banks and brokers to minimise the counterparty risk. Credit risk is measured by the Investment Manager prior to making an investment and during the holding period, and is reviewed whenever risk parameters might change or be impacted by internal or external events.

Substantially all of the assets of the Company are held by the custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the custodian the Company uses.

The Standard and Poor's credit rating on the company's counterparties as 30 June 2017 are:

- Interactive Brokers LLC: BBB+ Outlook stable
- St. George bank Ltd (Westpac Group): Aa2/Stable/P-1 by Moody's Investors service

(D) CAPITAL MANAGEMENT

The Company's objective in managing capital and investment is to maximize compound after-tax returns for shareholders by investing in a predominantly global equity portfolio. The Company recognises that its capital position and market price will fluctuate with market conditions, and in order to adjust the capital structure it may vary the amount of dividends paid, issue new shares or options from time to time or buy back its own shares.

A breakdown of the Company's equity and changes in equity during the current year is provided in note 14: Issued capital.

NOTE 20: DIRECTORS AND EXECUTIVES' DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No. 4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading 'Remuneration Report'.

NOTE 21: SUBSEQUENT EVENTS

There are no subsequent events that require disclosure post 30 June 2017.

DIRECTORS' DECLARATION

In accordance with the resolution of directors of Kaizen Global Investments Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 24-39, are in accordance with the Corporations Act 2001 and:

   a. comply with Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the period ended on that date of the Company;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. the directors have been given the declarations required by s295A of the Corporations Act 2001 that:

   a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;

   b. the financial statements and notes for the financial year comply with Accounting Standards; and

   c. the financial statements and notes for the financial year give a true and fair view; and

This declaration is made in accordance with a resolution of the Board of Directors.

Signed on behalf of the directors by

CONNOR GRINDLAY
Director
30 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd trading as

Stantons International

Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

30 August 2017

Board of Directors
Kaizen Global Investments Limited
Suite 409
350 George Street
Sydney NSW Australia 2000

Dear Sirs

RE: KAIZEN GLOBAL INVESTMENTS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Kaizen Global Investments Limited.

As Audit Director for the audit of the financial statements of Kaizen Global Investments Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

INDEPENDENT AUDIT REPORT

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International

Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KAIZEN GLOBAL INVESTMENTS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited financial report of Kaizen Global Investments Limited, the entity, which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the entity is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

We conducted oru audit in accordance with Australian Auditing Standards, Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have defined the matters described below to be key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Valuation of Financial Assets and Financial Liabilities Financial assets and financial liabilities represent 86% of total assets and 90% of total liabilities respectively. Given the afore mentioned relatively of balances with respect to the total assets and liabilities, the valuation of these financial assets and financial liabilities is considered to be a key audit matter. The valuation of financial investments held at fair value is based on a range of inputs. All of the inputs required can be obtained from readily available liquid market prices and rates.	Inter alia, our audit procedures included the following: i. We audited the entity's valuation of individual investment holdings. We corroborated the pricing inputs usded in the valuation of both financial assets and financial liabilities to independent data sources; and ii. We have audited the change in values of both finanical assets and financial liabilities to ensure that these changes are reflected correctly on the statement of financial performance.
Existence of Financial Assets and Financial Liabilities Financial assets and financial liabilities represent 86% of total assets and 90% of total liabilities respectively. Given the afore mentioned relatively of balances with respect to the total assets and liabilities, the existence of these financial assets and financial liabilities at balance date is considered to be a key audit matter.	Inter alia, our audit procedures included the following: i. Verfication of holding balances of financial assets and financial liabilities held at balance date to third party broker statements; ii. Confirmation of financial assets and financial liabilities on a sample basis; and iii. Discussion with management the nature of financial assets and financial liabilities held at balance date to ensure no omissions.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2017, but does not included the financial report and our auditors report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility fo the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonalbe assurance about whether the financial report as a whole is free from material misstatement, whether due ot fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of this financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve coflusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exits, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 21 to 22 of the directors' report for the year ended 30 June 2017.

In our opinion the Remuneration Report of Kaizen Global Investments Limited for the period ended 30 June 2017 complies with section 300 A of the Corporations Act 2001.

Responsibilities

The directors of the entity are responsible for the preparation and presentation of the Remuneratino Report in accordance with section 300A of the Corporations Act 2001. Our responsibilities is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

West Perth, Western Australia
30 August 2017

Suite 409, 350 George Street
Sydney NSW 2000
T: 02 790 30007
www.kaizenglobalinvestments.com